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2445 M STREET, N.W.
WASHINGTON, D.C. 20037-1420

TELEPHONE (202) 663-6000
FACSIMILE (202) 663-6363

4 CARLTON GARDENS
LONDON SW1Y 5AA
TELEPHONE 011 (4471) 839-4466
FACSIMILE 011 (4471) 839-3537

RUE DE LA LOI 15 WETSTRAAT
B-1040 BRUSSELS
TELEPHONE 011 (322) 231-0903
FACSIMILE 011 (322) 230-4322

FRIEDRICHSTRASSE 95
BRIEFKASTEN 29
D-10117 BERLIN
TELEPHONE 011 (4930) 2643 3601
FACSIMILE 011 (4930) 2643 3630

WILLIAM R. RICHARDSON, JR.
DIRECT LINE (202)
663-6038

EX PARTE OR LATE FILED

May 16, 1995

BY HAND

William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Ex Parte Presentation; MM Docket No. 92-266, Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992 -- Rate Regulation

Dear Mr. Caton:

On April 10, 1994, we provided the Commission with information on behalf of ValueVision International, Inc. ("ValueVision") concerning the terms of cable access extended to QVC, Inc. ("QVC") and Home Shopping Network, Inc. ("HSN"), ValueVision's competitors in the television home shopping business. This is to update the information submitted last year based upon SEC filings made since that time. (Filings cited herein are attached hereto.)

1. In February 1995, Comcast Corporation ("Comcast") and Tele-Communications, Inc. ("TCI") acquired all of the outstanding stock of QVC not previously owned by TCI and Comcast. Following this acquisition, Comcast and TCI respectively own 57.45% and 42.55% of QVC. SEC Form 10-K filed by Comcast, February 28, 1995. As of December 31, 1994, QVC had access to 47 million cable subscribers on a full-time basis, and another 3.1 million cable subscribers on a part-time basis. According to TCI, "[c]able television system operators that have entered into affiliation agreements with QVC carry its programming as part of their basic service and pursuant to such agreements receive from QVC 5% of net sales of merchandise sold to customers located in the cable operator's service area." TCI SEC Form 10-K/A at I-34.

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List A B C D E

2. QVC reported in its 10-Q for the third quarter of 1994 that it had net sales of $7.48 per full-time equivalent ("FTE") home for the three-month period ended October 31, 1994, or $29.92 per FTE home on an annualized basis. (FTE homes equal the total number of cable homes receiving the QVC service 24 hours per day plus one-third of the part-time cable homes and one-half of the satellite dish homes.) It therefore paid approximately $1.50/subscriber/year (5% x $29.92), or approximately $.12/subscriber/month for cable carriage.

3. As of March 1, 1995, TCI also owned 41.5% of the common stock of HSN, which represented 80.4% voting control. TCI SEC Form 10-K/A at I-30. HSN 1 or HSN 2 can be received by approximately 47.3 million cable homes, as of December 31, 1994. HSN SEC Form 10-K at 1. HSN's "standard form of affiliation agreement provides that the cable operator will receive a commission of five percent of the net sales of merchandise sold [to both cable and non-cable households] within the cable operator's franchise area." Id. at 4. HSN's commissions to cable operators for the year ended December 31, 1994, were $38.4 million. Id. at 25. It therefore paid an average of approximately $.81/subscriber/year ($38.4 million ÷ 47.3 million), or approximately $.07/subscriber/month in such commissions.

4. HSN also paid performance bonus commissions of $9.1 million to cable operators for "promotional efforts" that result in increased sales. Id. at 4, 25. However, HSN reported that these commissions were being used to "replac[e]" its previous "marketing payments for cable advertising." Id. at 25. The Commission has made clear that the fee for leased access "should not include fees, stated or implied, for services other than the provision of channel capacity (e.g., billing and collection, *marketing*, or studio services)." Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992 -- Rate Regulation, 8 FCC Rcd 5631, 5950 (1993) (emphasis added). But even if HSN's performance bonus payments were included, HSN's commissions to cable operators for carriage would average only $1/subscriber/year, or $.08/subscriber/month.

5. HSN reports that it also offers to pay cable distribution fees, primarily consisting of up-front payments. HSN SEC Form 10-K at 4. However, these additional fees are not designed to "recover the value of channel capacity." 8 FCC Rcd at 5950. They have been made "[i]n exchange for . . . significant long term commitments of five to fifteen years" and for the carriage of additional programming. HSN SEC Form 10-K at 4. (According to TCI's annual report, these commitments have "an average term of ten years." TCI SEC Form 10-K/A at I-31.) HSN does not specify which cable operators have entered into such long-term affiliation agreements or whether they are affiliated operators such as TCI or its affiliates. But HSN does acknowledge that, as with its performance bonus commissions, such cable distribution fees for long term affiliations are designed to "replac[e]" the kind of marketing payments that the Commission has recognized to be irrelevant in establishing maximum leased access rates. HSN SEC Form 10-K at 25.

An original and one copy of this letter are being submitted for inclusion in the above-referenced docket.

Respectfully submitted,

William R. Richardson, Jr.

Enclosures

cc: William H. Johnson
Kathy Franco
Edward Gallick

FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED] FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1994

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED] FOR THE TRANSITION PERIOD FROM __________ TO __________

Commission file number 0-6983

COMCAST CORPORATION
[GRAPHIC OMITTED - LOGO]

(Exact name of registrant as specified in its charter)

PENNSYLVANIA (State or other jurisdiction of incorporation or organization)	23-1709202 (I.R.S. Employer Identification No.)
1500 Market Street, Philadelphia, PA (Address of principal executive offices)	19102-2148 (Zip Code)

Registrant's telephone number, including area code: (215) 665-1700

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:
NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
Class A Common Stock, $1.00 par value
Class A Special Common Stock, $1.00 par value
Zero Coupon Convertible Subordinated Notes Due 1995
3-3/8% / 5-1/2% Step-up Convertible Subordinated Debentures Due 2005
1-1/8% Discount Convertible Subordinated Debentures Due 2007

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. [ ]

As of February 1, 1995, the aggregate market value of the Class A Common Stock held by non-affiliates of the Registrant was not less than $540 million.

As of February 1, 1995, there were 191,794,271 shares of Class A Special Common Stock, 39,019,809 shares of Class A Common Stock and 8,786,250 shares of Class B Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III - The Registrant's definitive Proxy Statement for its Annual Meeting of Shareholders presently scheduled to be held in June 1995.

PART I

ITEM 1 BUSINESS

Comcast Corporation and its subsidiaries (the "Company") is engaged in the development, management and operation of cable and cellular telephone communications systems and the production and distribution of cable programming (see "General Developments of Business"). The Company's consolidated domestic cable operations served more than 3.3 million subscribers and passed more than 5.5 million homes as of December 31, 1994. The Company owns a 50% interest in Garden State Cablevision L.P. ("Garden State"), a cable communications company serving approximately 195,000 subscribers and passing approximately 288,000 homes. In the United Kingdom ("UK"), a subsidiary of the Company, Comcast UK Cable Partners Limited ("Comcast UK Cable"), is constructing a cable telecommunications network that will pass approximately 229,000 homes and holds investments in cable television and telecommunications companies which have the potential to serve an additional 1.2 million homes. The Company provides cellular telephone communications services pursuant to licenses granted by the Federal Communications Commission ("FCC") in markets with a population of over 7.9 million, including the area in and around the City of Philadelphia, Pennsylvania, the State of Delaware and a significant portion of the State of New Jersey.

The Company was organized in 1969 under the laws of the Commonwealth of Pennsylvania and has its principal executive offices at 1500 Market Street, Philadelphia, Pennsylvania, 19102-2148, (215) 665-1700.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

See Note 12 to the Company's consolidated financial statements for information about the Company's operations by industry segment.

GENERAL DEVELOPMENTS OF BUSINESS

QVC

In February 1995, the Company and Tele-Communications, Inc. ("TCI") acquired all of the outstanding stock of QVC, Inc. ("QVC") for $46, in cash, per share. The total cost of acquiring the outstanding shares of QVC not previously owned by the Company and TCI (approximately 65% of such shares on a fully diluted basis) was approximately $1.4 billion. Following the acquisition, the Company and TCI own, through their respective subsidiaries, 57.45% and 42.55%, respectively, of QVC. The Company will account for the QVC acquisition under the purchase method of accounting and QVC will be consolidated with the Company beginning in February 1995.

The acquisition of QVC, including the exercise of certain warrants held by the Company, was financed with cash contributions from the Company and TCI of $296.3 million and $6.6 million, respectively, borrowings of $1.1 billion under a $1.2 billion QVC credit facility and existing cash and cash equivalents held by QVC.

QVC is a nationwide general merchandise retailer, operating as one of the leading televised shopping retailers in the United States. Through its merchandise-focused television programs (the "QVC Service"), QVC sells a wide variety of products directly to consumers. The QVC Service currently reaches approximately 50 million cable television subscribers in the United States.

The day to day operations of QVC will, except in certain limited circumstances, be managed by the Company. With certain exceptions, direct or indirect transfers to unaffiliated third parties by the Company or TCI of any stock in QVC are subject to certain restrictions and rights in favor of the other.

Liberty Media Corporation ("Liberty"), a wholly-owned subsidiary of TCI, may, at certain times following February 9, 2000, trigger the exercise of certain exit rights. If the exit rights are triggered, the Company has first right to purchase Liberty's stock in QVC at Liberty's pro rata portion of the fair market value (on a going concern or liquidation basis, whichever is higher, as determined by an appraisal process) of QVC. The Company may pay Liberty for such stock, subject to certain rights of Liberty to consummate the purchase in the most tax-efficient method available, in cash, the Company's promissory note maturing not more than three years after issuance, the Company's equity securities or any combination thereof. If the Company elects not to purchase the stock of QVC held by Liberty, then Liberty will have a similar right to purchase the stock of QVC held by the Company. If Liberty elects not to purchase the stock of QVC held by the Company, then Liberty and the Company will use their best efforts to sell QVC.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
FOR THE YEAR ENDED DECEMBER 31, 1994

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
FOR THE TRANSITION PERIOD FROM TO
COMMISSION FILE NO. 1-9118

HOME SHOPPING NETWORK, INC.
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	59-2649518 (I.R.S. Employer Identification No.)

2501 118TH AVENUE NORTH, ST. PETERSBURG, FLORIDA
(Address of registrant's principal executive offices)

33716
(ZIP CODE)

(813) 572-8585
(Registrant's telephone number, including area code)
SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EXCHANGE ON WHICH REGISTERED
Common Stock $.01 Par Value....................................	NYSE

Securities registered pursuant to Section 12(g) of the Act:

NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes /X/ No / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / /

As of March 13, 1995, there were outstanding 70,594,329 shares of Common Stock (net of 6,986,000 shares held in treasury) and 20,000,000 shares of Class B common stock. The aggregate market value of the voting stock held by non-affiliates of the registrant as of March 13, 1995 was $477,248,643.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes / / No / /

DOCUMENTS INCORPORATED BY REFERENCE:

DOCUMENTS	FORM 10-K REFERENCE
1994 Annual Report..	Part II Items 5-8
Proxy Statement dated March 30, 1995................................	Part III Items 10-13

PART I

ITEM 1 -- BUSINESS

GENERAL

Home Shopping Network, Inc. ("HSN" or the "Company") is a holding company, the subsidiaries of which conduct the day-to-day operations of the Company's various business activities. The Company's primary business, and principal source of revenue, is electronic retail sales by Home Shopping Club, Inc. ("HSC"), a wholly-owned subsidiary of the Company and a leader in the electronic retailing industry.

HOME SHOPPING CLUB, INC.

HSC sells a variety of consumer goods and services by means of HSC's live, customer-interactive retail sales programs which are transmitted twenty-four hours a day, seven days per week, via satellite to cable television systems, affiliated broadcast television stations and satellite dish receivers. HSC's retail sales programming is currently carried on three separate networks, HSN 1, HSN 2, and HSN Spree. HSN 1 is carried by cable television systems throughout the country and is the original HSC programming network. HSN 2 is carried by broadcast television stations as well as by cable television systems which retransmit the broadcast television signal of the broadcast television stations carrying HSN 2. HSN Spree programming is available in one hour segments twenty-four hours per day, which enable broadcast and cable affiliates to air HSN Spree in available time slots that would not otherwise produce revenue for the affiliate. The Company is developing plans for combining HSN 1 and HSN 2 into a single network, to be implemented during 1995. HSN Spree will continue to be available as described above and will also replace HSN 1 where there are households currently receiving both HSN 1 and HSN 2.

As of December 31, 1994, there were approximately 95.4 million homes in the United States with a television set, 60.0 million basic cable television subscribers and 3.8 million homes with satellite dish receivers. As of December 31, 1994, approximately 24.8 million homes throughout the United States were able to receive HSN 1 via over 1,833 cable systems. HSN 2 was broadcast at the same date via 35 full power and 9 low power broadcast television stations in areas with a total potential viewership of approximately 23.1 million households. In addition, approximately 22.5 million households were able to receive HSN 2 via approximately 850 cable systems. See "Regulatory Matters." As of December 31, 1994, HSN Spree was carried on a full- or part-time basis by 116 broadcast television stations, including certain stations that are in areas also served by cable television systems or broadcast television stations which carry HSN 1 and/or HSN 2. Approximately 3.8 million additional households also were able to receive HSN 1, HSN 2 and HSN Spree by means of satellite dish receivers.

Approximately 8.3 million of the cable television households receiving HSC programming are considered multiple service households which receive HSN 1 and HSN 2. Most of the homes that receive HSN Spree also receive HSN 1 and/or HSN 2.

HSC'S RETAIL SALES PROGRAMMING

HSC's electronic retail marketing and programming concept is the "Home Shopping Club" (the "Club"). The Club format is intended to promote sales and customer loyalty through a combination of information, entertainment and the creation of confidence in HSC and its products. HSC programming is divided into segments. Each segment is televised live with a show host who presents the merchandise and conveys to the viewer information relating to the product, including price, quality, features and benefits. Viewers place orders for products by calling a toll-free telephone number. Show hosts engage callers in on-air discussions regarding the Club, the currently featured product or the caller's previous experience with the Club and its products. This format creates a spontaneous and entertaining program. First-time purchasers of merchandise receive complimentary membership in the Club. HSC attempts to stimulate Club member loyalty by providing Club members with incentives to purchase additional items from the Club using, for

On April 8, 1993, a decision by the United States District Court for the District of Columbia upheld the constitutional validity of the mandatory signal carriage requirements of the 1992 Cable Act. On appeal, in a multi-opinion decision released on June 27, 1994, the Supreme Court vacated the District Court decision and remanded the case to the District Court to permit the development of a full factual record concerning the validity of the "must carry" rules. While the "must carry" rules remain in effect, HSN 2 programming carried by HSC's broadcast affiliates generally is being transmitted by cable operators located within broadcast markets. As a result of "must carry," HSC has experienced an increase in the number of cable systems that carry HSC programming.

On September 23, 1993, the FCC adopted a Notice of Inquiry initiating a proceeding to evaluate the commercial programming practices of broadcast television stations (including stations with shop-at-home formats) and seeking comment on whether the public interest would be served by establishing limits on the amount of commercial matter broadcast by television stations. The FCC has received comments and reply comments. Although the FCC is only seeking comments at this time and has not made any proposals to limit the amount of commercialization on television stations, there can be no assurance whether or when such limitations may be forthcoming, what the nature of such limitations might be, whether they will be implemented, and what impact, if implemented, they would have on the Company.

In November 1994, the FCC issued "going forward" rules pursuant to the 1992 Cable Act regarding the fees cable operators can charge subscribers for new programming. The going forward rules provide that cable operators can increase the charges to subscribers for new programming but must offset the charges by revenues, including sales commissions, they receive from the programmer. As a revenue provider to the cable operator, this ruling may have an adverse effect on the Company's ability to seek and maintain new cable carriage. The Company and other electronic retailing companies have filed Petitions for Reconsideration with the FCC which requests that shop-at-home programming revenues be excluded from the cable operator's offset to revenues.

AFFILIATION AGREEMENTS WITH CABLE OPERATORS

HSC enters into affiliation agreements with cable system operators to carry HSN 1, HSN 2, HSN Spree or any combination of the programming. HSC has a standard form of affiliation agreement which has a term of five years, is automatically renewable for subsequent one year terms, and obligates the cable operator to assist the promotional efforts of HSC by carrying commercials regarding the Club and distributing HSC's marketing materials to its subscribers. The standard form of affiliation agreement provides that the cable operator will receive a commission of five percent of the net sales of merchandise sold within the cable operator's franchise area (from both cable and non-cable households). However, particularly with larger, multiple system operators, HSC has agreed to provide additional compensation arrangements. In the past this has included the purchase of advertising availabilities from cable operators on programming networks other than the Club and the establishment of commission guarantees committing HSC to a certain level of payments. Although a number of these contracts remain in effect, as a general rule, HSC is no longer entering into agreements that provide for advertising availability and commission guarantee compensation. In the past year these forms of compensation were replaced with performance bonus commissions that are intended to increase sales by rewarding the cable operators for promotional efforts which result in higher sales levels.

During the past year, due to the possibility of "must carry" being found unconstitutional, HSC embarked on an aggressive campaign to bring the "must carry" households under contract by volunteering to pay commissions to cable operators required to retransmit HSN 2. As an additional contract incentive, HSC offered to make payments of cable distribution fees, primarily consisting of up-front payments, based on a commitment to transmit HSC programming to a certain number of subscribers. In exchange for these payments, HSC required significant long term commitments of five to fifteen years for the current programming carriage and additional carriage of HSC's HSN 1 programming. Due to HSC's success in obtaining long term carriage commitments, in the event "must carry" is ruled unconstitutional, the Company does not believe the ruling will have a material adverse impact on the Company or result in any significant loss in carriage.

SELLING AND MARKETING
For the year ended December 31, 1994, selling and marketing expenses, as a percentage of net sales, increased to 14.4% from 13.2% compared to the year ended December 31, 1993.

The major components of selling and marketing expenses are detailed below, including the dollar and percentage changes for the year ended December 31, 1994 compared to the year ended December 31, 1993:

	Years Ended December 31, 1994	1993	$ Change	% Change
		(In millions, except %)		
Telephone, operator and customer service	$53.8	$48.5	$ 5.3	10.8%
Fees to cable system operators:				
Commissions	38.4	33.9	4.5	13.1
Marketing payments for cable advertising	25.3	30.7	(5.4)	(17.5)
Performance bonus commissions	9.1	-	9.1	100.0

Telephone, operator and customer service expenses are typically related to sales, call volume and the number of packages shipped, and for the year ended December 31, 1994, compared to the year ended December 31, 1993, these expenses increased as a result of increases in call and package volume. These expenses are expected to fluctuate in relation to sales, call volume and package volume in 1995.

For the year ended December 31, 1994, commissions to cable system operators increased at a higher rate than sales as a result of increased cable system carriage of the Company's programming due to the implementation of the "must carry" provisions of the cable re-regulation law.

Marketing payments for cable advertising, related primarily to previous contractual commitments, decreased for the year ended December 31, 1994, compared to the year ended December 31, 1993. As older agreements expire or are renegotiated and new cable carriage agreements are executed, marketing payments for cable advertising are being replaced by other forms of incentive compensation to cable operators. These include payment of cable distribution fees, as discussed in "Depreciation and Amortization," and performance bonus commissions. Accordingly, marketing payments for cable advertising are expected to continue to decrease and depreciation and amortization is expected to increase in 1995. Performance bonus commissions based upon the sales levels of HSC programming in the cable operator's franchise area are expected to increase as additional contracts are renewed or added.

In addition, cable operators which have executed affiliation agreements to carry HSN2 are compensated for all sales of HSN2 within their franchise areas, regardless of whether a customer's order results from watching the program via cable, satellite dish, or on a broadcast television station. Thus, with the advent of "must carry," HSC is paying commissions to cable operators in addition to the hourly affiliation payments made to broadcast television stations resulting in higher commission expense and higher total operating expenses. As a result of the above factors, fees paid to cable system operators are expected to remain at higher levels in future periods.

Selling and marketing expenses related to HSND totaled $6.7 million for the year ended December 31, 1994. The remaining net increase in selling and marketing expenses is attributable to other advertising and promotional expenses of the Company's other subsidiary operations. Management believes that total selling and marketing expenses in future periods will be at higher levels as the Company maintains its efforts to increase the number of cable systems carrying HSC programming, increase market penetration and develop new electronic retailing opportunities.

ENGINEERING AND PROGRAMMING
For the year ended December 31, 1994, engineering and programming expenses, as a percentage of net sales, decreased to 8.8% from 9.0% compared to the year ended December 31, 1993.

Increases in expense related to broadcast affiliates in additional markets totaled $3.7 million compared with the year ended December 31, 1993. In addition, based on sales within the broadcast markets of Silver King Communications, Inc. ("SKC"), for the year ended December 31, 1994, the Company incurred additional broadcast commission expense of $1.3 million, compared to the year ended December 31, 1993.

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10-K/A
(Amendment No. 1)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED] For the fiscal year ended December 31, 1994

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED] For the transition period from ____ to ____

Commission File Numbers 0-20421 and 0-5550

TELE-COMMUNICATIONS, INC.
and
TCI COMMUNICATIONS, INC.
(Exact name of Registrants as specified in their charters)

State of Delaware	84-1260157 and 84-0588868
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Nos.)

5619 DTC Parkway Englewood, Colorado	80111
(Address of principal executive offices)	(Zip Code)

Registrants' telephone number, including area code: (303) 267-5500

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:
Class A common stock, par value $1.00 per share
Class B common stock, par value $1.00 per share
Class B 6% Cumulative Redeemable Exchangeable Junior Preferred Stock, par value $.01 per share

TCI Communications, Inc. meets the conditions set forth in General Instruction J(1)(a) and (b) of Form 10-K and is therefore filing this form with the reduced disclosure format.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Tele-Communications, Inc.'s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. -----

Indicate by check mark whether Tele-Communications, Inc. and TCI Communications, Inc.(1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) have been subject to such filing requirements for the past 90 days. Yes X No

The aggregate market value of the voting stock held by nonaffiliates of Tele-Communications, Inc., computed by reference to the last sales price of such stock, as of the close of trading on February 10, 1995, was $13,811,439,150.

The number of shares outstanding of Tele-Communications, Inc.'s common stock (net of shares held in treasury), as of February 10, 1995, was:

Class A common stock - 571,690,775 shares; and
Class B common stock - 85,114,800 shares.

Copyright licensing procedures have not yet been negotiated for the public performance of non-dramatic musical works used in connection with various programming services provided by the Programming Companies. The American Society of Composers, Authors and Publishers ("ASCAP") and Broadcast Music, Inc. ("BMI"), organizations which license the public performance of musical compositions of their members or affiliated composers, authors and publishers, respectively, had claimed that cable programmers and cable system operators each must have a separate license to lawfully exhibit programs and advertisements containing musical compositions. Such split licensing has been held unlawful under the ASCAP and BMI Consent Decrees, respectively, by the United States Court of Appeals for the Second Circuit in the Turner case in 1992 and by United States District Court for Washington, D.C. in the NCTA case in 1991. BMI has indicated that it does not consider itself bound by this decision in the NCTA case.

Electronic Retailing Services

The Company currently provides electronic retailing services through a subsidiary, Home Shopping Network, Inc. ("HSN") and through an equity affiliate, QVC.

HSN

As of March 1, 1995, the Company owned 41.5% of the common stock of HSN, which represents 80.4% voting control (as a result of multiple voting rights associated with HSN Class B common stock held by the Company). The primary business and principal source of revenue of HSN is electronic retail sales of merchandise by Home Shopping Club, Inc. ("HSC"), a wholly owned subsidiary of HSN. HSC sells a variety of consumer goods and services by means of HSC's live, customer-interactive retail sales programs which are transmitted twenty-four hours a day, seven days a week, via satellite to cable television systems, affiliated broadcast television stations and HSD's. As of December 31, 1994, HSC programming could be received by approximately 62 million homes, including broadcast television households and cable television subscribers.

HSC's product offerings include: jewelry, hardgoods (such as consumer electronics, housewares and toys), softgoods (primarily clothing), cosmetics; and other product categories which include collectibles and consumables. For calendar 1994, jewelry, hardgoods, softgoods, cosmetics and other categories accounted for approximately 41%, 34%, 14%, 10% and 1% respectively, of HSC's sales. HSC principally purchases merchandise made to its specifications and also purchases inventories from retailers. The mix of products and source of such merchandise depends upon a variety of factors including price and availability. HSC has no long- term commitments with any of its vendors, and, historically, there have been various sources of supply available for each category of merchandise sold by HSC.

As part of HSC's customer service policy, HSC maintains a return policy under which a customer may, generally within thirty days, return for any reason any item purchased from HSC, except certain special sales items, for a full refund of the purchase price, including the original shipping and handling charges.

Transmission and Programming. HSC produces retail sales programs in its studios located in St. Petersburg, Florida. These programs are distributed to cable television systems, broadcast television stations and HSD's by means of HSN's satellite uplink facilities to satellite transponders leased by HSN which retransmit the signals received from HSN. Any cable television system, broadcast television station or HSD owner in the United States and the Caribbean Islands equipped with standard satellite receiving facilities is capable of receiving HSC programming.

HSN has lease agreements securing full time use of three transponders on three domestic communications satellites. Although HSN believes it is taking every reasonable measure to ensure its continued satellite transmission capability, there can be no assurance that termination or interruption of satellite transmission will not occur. Such a termination or interruption of service by one or more of these satellites could have a material adverse effect on the operation and financial condition of HSN. See Federal Government Regulation of Satellite Transmissions below. The availability of replacement satellites and transponder time beyond current leases is dependent on a number of factors over which HSN has no control, including competition among prospective users of available transponders and the availability of satellite launching facilities for replacement satellites.

Federal Government Regulation of Satellite Transmission. The FCC grants licenses to construct and operate satellite uplink facilities which transmit signals to satellites. These licenses are generally issued without a hearing if suitable frequencies are available. HSN has been granted two licenses for operation of C-Band satellite transmission facilities and two licenses for operation of Ku-Band satellite transmission facilities on a permanent basis in Clearwater and St. Petersburg, Florida.

Affiliation with Cable Systems. HSC enters into affiliation agreements with cable system operators to carry HSC. HSC's standard affiliation agreement provides that the cable operator generally will receive a commission of 5% of the net sales of merchandise sold to customers located within the cable operator's franchise area (from both cable and non-cable households). In addition, HSC also purchases advertising time from affiliated operators and in certain markets, pays additional commissions for sales above a specified minimum amount. Although there is some variation among affiliation agreements with cable operators, the current standard affiliation agreement provides for an initial term of five years which is automatically renewable for subsequent one year terms. During the past year, due to the possibility of "must carry" being found unconstitutional, HSN embarked on an aggressive campaign to bring the "must carry" households under contract by volunteering to pay commissions to certain cable operators. See Effect on HSN of the 1992 Cable Act, below. As an additional contract incentive, HSN offered to make payments of cable distribution fees, primarily consisting of up-front payments, based on the number of subscribers committed to the contract by the cable operator. In exchange for these payments, HSN required significant long term commitments of up to fifteen years, with an average term of ten years, for the current programming carriage and additional carriage of HSC's programming. Due to HSN's success in obtaining long term carriage commitments, in the event "must carry" is ruled unconstitutional, HSN does not believe the ruling will have a material adverse effect on HSN or result in a significant loss in carriage. Affiliation agreements were entered into during the year with the Company's cable and communications services.

In July 1993, the FCC ruled that stations predominantly used for the transmission of sales presentations or program-length commercials operate in the public interest and are entitled to "must carry" status. A petition for reconsideration of the FCC's ruling currently is pending before the FCC. HSN has filed in opposition to that petition. In addition, the limitation on carriage of affiliated programming entities, discussed in Federal Regulation-Programming Companies above, may limit carriage of HSN's programming services on certain systems of cable operations affiliated with the Company.

In April 1993, a decision by the United States District Court for the District of Columbia upheld the constitutional validity of the mandatory signal carriage requirements of the 1992 Cable Act. On appeal, in a multi-opinion decision released on June 27, 1994, the Supreme Court vacated the District Court decision and remanded the case to the District Court to permit the development of a full factual record concerning the need for "must carry". Pending judicial resolution, the "must carry" rules remain in effect. Therefore, HSN 2 programming carried by HSC's broadcast affiliates generally is being transmitted by cable operators located within the broadcast markets. As a result of "must carry", HSC has experienced increased cable distribution of its programming due to an increase in the number of cable systems that carry HSC programming.

In November 1994 the FCC issued, pursuant to the 1992 Cable Act, "going forward" rules regarding the fees cable operators can impose upon subscribers for new programming. The going forward rules provide that cable operators can increase the charges to subscribers due to increases in external programming costs. The cable operator must offset these increases by revenues it receives from all sources other than advertising. As a revenue provider to the cable operator, this ruling may have an adverse effect on HSN's ability to seek and maintain new cable carriage. HSN has filed a Petition for Reconsideration asking that shop-at-home programming revenues be excluded from the cable operator's external cost adjustment.

In September 1993, the FCC adopted a Notice of Inquiry initiating a proceeding to evaluate the commercial programming practices of broadcast television stations (including stations with shop at home formats) and seeking comment on whether the public interest would be served by establishing limits on the amount of commercial matter broadcast by television stations. The FCC has received comments and reply comments. Although the FCC is only seeking comments at this time and has not made any proposals to limit the amount of commercialization on television stations, there can be no assurance whether or when such proposals will be forthcoming, what the nature of such proposals might be, whether they will be implemented, and thus what impact, if implemented, they would have on HSN.

QVC

The Company owns a 42.6% interest in QVC. The remaining 57.4% of QVC is owned by Comcast, which manages the day-to-day operations of QVC.

QVC markets and sells a wide variety of consumer products and services primarily by means of its televised shopping programs, known as "QVC" and "Q2". As of December 31, 1994, QVC's programs were being transmitted by cable television systems on a full-time basis to approximately 47 million subscribers and on a part-time basis to approximately 3.1 million subscribers. Cable television system operators that have entered into affiliation agreements with QVC carry its programming as part of their basic service and pursuant to such agreements receive from QVC 5% of net sales of merchandise sold to customers located in the cable operator's service area. QVC is also a joint venturer in the operation of Mexican and British televised shopping programs. QVC faces most of the same competitive factors that HSN does, described above under Competition-HSN.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended October 31, 1994

or

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ------- to --------

Commission File No. 0-14999

QVC, INC.

(Exact name of registrant as specified in its charter)

Delaware	23-2414041
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1365 Enterprise Drive, West Chester, PA 19380
(Address of principal executive offices) (Zip Code)

(610) 701-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.
Yes X No

The number of shares outstanding of the registrant's common stock (net of shares held in treasury) as of October 31, 1994, was:

Common Stock ($.01 par value) -- 40,906,497 shares

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

The Company is a retailer of a wide range of consumer products which are marketed and sold by merchandise-focused televised-shopping programs. The average number of homes receiving the QVC Service was (in millions, except dollar amounts):

	Three months ended October 31,		Nine months ended October 31,	
	1994	1993	1994	1993
Cable homes - 24 hours per day	46.0	43.6	45.2	43.1
Cable homes - part-time	3.1	3.0	3.0	2.9
Satellite dish homes (estimated)	3.0	3.0	3.0	3.0
Total	52.1	49.6	51.2	49.0
Full-time equivalent homes ("FTE")	48.5	46.1	47.7	45.6
QVC net sales per FTE home	$ 7.48	$ 6.79	$20.14	$18.58

FTE homes equal the total number of cable homes receiving the QVC Service 24 hours per day plus one-third of the part-time cable homes and one-half of the satellite dish homes. This calculation reflects the Company's estimate of the relative value to the Company of part-time homes and satellite dish homes compared to full-time homes. QVC net sales excludes non-merchandise revenue and net sales associated with the Company's infomercial division, QDirect.

Net revenue increased in the first nine months of fiscal 1994 due to the increase in the number of homes receiving the QVC Service as well as an increase in net sales to existing subscribers. It is unlikely that the number of homes receiving the QVC Service will continue to grow at rates comparable to prior periods, given that the QVC Service is already received by approximately 80% of all the cable television homes in the United States. As relative growth in the number of homes declines, future growth in sales will depend increasingly on continued additions of new customers from homes already receiving the QVC Service and continued growth in repeat sales to existing customers.

Operating profit margins have declined during the quarter largely as a result of a decrease in the gross margin percentage primarily due to reduced sales of higher margin jewelry products as well as increases in general and administrative expense and amortization expense associated with the launch of Q2 on August 1, 1994. Prior to August, the Company capitalized all Q2 start-up costs which totaled $11.4 million. These costs are being amortized over eighteen months. Total amortization of Q2 start-up costs was $1.9 million during the third quarter of 1994.